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**FILED**

DEC 29 2014

UNITED STATES BANKRUPTCY COURT  
SAN FRANCISCO, CA

1 SLAVIK S. LEYDIKER (SBN 276264)  
Law Office of Steve Leydiker  
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Redwood City, CA 94061  
3 TEL: (650) 364-3455 FAX: (650) 616-3924

4 In Pro Per and Attorney for Defendants,  
Dan Beatty and Maria Sosa  
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8 UNITED STATES BANKRUPTCY COURT  
9 NORTHERN DISTRICT OF CALIFORNIA

10 In Re:

**Case No.: 14-31532 HLB 11**

11 KINGSWAY CAPITAL PARTNERS,  
12 LLC,

**Chapter 11**

13 Debtor,

**Adv. No.: 14-03149**

14  
15 KINGSWAY CAPITAL PARTNERS,  
LLC,

**DECLARATION OF SLAVIK S.  
LEYDIKER IN SUPPORT OF MOTION  
TO SET ASIDE ENTRY OF DEFAULT TO  
COMPLAINT OF PLAINTIFF  
KINGSWAY CAPITAL PARTNERS, LLC**

16 Plaintiff,

17 vs.

18 SLAVIK S. LEYDIKER, et al.,

19 Defendants.

20 I, SLAVIK S. LEYDIKER, declare:

- 21 1. I am an attorney at law duly authorized to practice before all California Courts and the  
22 United States Federal Court, Northern District of California.
- 23 2. I am representing myself in propria persona and am the attorney of record for Defendants  
24 MARIA SOSA and DAN BEATTY herein.
- 25 3. On or about October 29, 2014, Maria Sosa filed a Motion for Relief from Automatic Stay in  
26 this underlying matter. The Motion came on regularly for hearing on November 17, 2014.  
27 Appearing on behalf of Plaintiff was Nathaniel Basola Sobayo ("Sobayo"), the purported CEO of  
28 Kingsway Capital Partners, LLC ("Kingsway"). The Court instructed Sobayo to retain an

1 attorney to represent Plaintiff and advised Sobayo that he was not permitted by law to represent  
2 his LLC. Thereafter, Sobayo retained attorney C. Alex Naegele ("Attorney Naegele).

3 4. Defendant Sosa's Motion for Relief from Stay was overruled without prejudice and she  
4 filed a subsequent Motion from Relief from Automatic Stay on November 18, 2014.

5 5. On or about November 19, 2014, I received by mail an Adversary Complaint, naming me as  
6 a co-defendant. The plaintiff was identified as Kingsway Capital Partners, LLC and it was signed  
7 by Sobayo on behalf of Kingsway.

8 6. The second hearing on the Motion for Relief from Automatic Stay was held on December  
9 8, 2014 ("December 8th hearing"). At the hearing, the Court contemplated the issue of whether  
10 the commercial lease at the center of the unlawful detainer action terminated prior to Plaintiff  
11 filing the underlying bankruptcy petition. The Court did not issue a ruling; instead, I was  
12 instructed to file a brief on the issue of whether the lease terminated by operation of law, which is  
13 due on January 16, 2014. A hearing was set for February 19, 2015 ("February 19th hearing").

14 7. Following the December 8th hearing, it was my understanding that the survival of the  
15 underlying adversary hearing was dependant on the outcome of the February 19th hearing on the  
16 briefs. Consequently, I instructed Dan Beatty and Maria Sosa to hold off on filing any responsive  
17 pleadings in the adversary proceeding until after the February 19th hearing on the briefs.

18 8. I further believed that no action would be taken in the adversary proceeding because  
19 Kingsway Capital Partners, LLC was now represented by Attorney Naegele, who I presumed  
20 would notify me of any intention to file a request for entry of default. I explained to Defendants  
21 Beatty and Sosa that because Plaintiff now has an attorney, we should not expect any more  
22 shenanigans by Plaintiff.

23 9. On or about December 18, 2014, I received a copy of a Request for Entry of Default, signed  
24 by Sobayo. The Request for Entry of Default did not identify Attorney Naegele in the caption  
25 and it was not signed by Attorney Naegele.

26 10. I spoke with Attorney Naegele by phone on or about November 19, 2014, who informed me  
27 that he is not going to represent his client in connection with the adversary proceeding. He  
28 further indicated that adversary proceeding is inconsistent with the Chapter 11 goal of

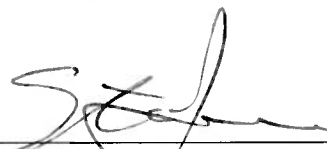
1 reorganization and allowing Plaintiff to continue to operating under the lease.

2 11. On or about December 24, 2013, I emailed Attorney Naegele demanding that his client  
3 dismiss the adversary action.

4 I declare under penalty of perjury under the laws of the State of California that the  
5 foregoing is true and correct.

6 Executed this 24th day of December, 2014, at Redwood City, California.

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9 Respectfully Submitted, .

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12 SLAVIK S. LEYDIKER, In Pro Per and Attorney  
13 for DAN BEATTY AND MARIA SOSA  
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